

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application )

of )

MOLOKAI PUBLIC UTILITIES, INC. )

For review and approval of rate )  
increases; revised rate schedules; and )  
revised rules. )

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Docket No. 2009-0048

PUBLIC UTILITIES  
COMMISSION

2010 APR 28 P 2:31

FILED

**MOLOKAI PUBLIC UTILITIES, INC.'S SUPPLEMENTAL  
RESPONSE TO THE DIVISION OF CONSUMER ADVOCACY'S  
FIRST SUBMISSION OF INFORMATION REQUESTS (CA-IR-6)**

and

**CERTIFICATE OF SERVICE**

MORIHARA LAU & FONG LLP

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Attorneys for MOLOKAI PUBLIC UTILITIES, INC.

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MOLOKAI PUBLIC UTILITIES, INC.


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RESPONSE TO THE DIVISION OF CONSUMER ADVOCACY'S  
FIRST SUBMISSION OF INFORMATION REQUESTS (CA-IR-6)**

COMES NOW, MOLOKAI PUBLIC UTILITIES, INC., by and through its attorneys,  
Moriwara Lau & Fong LLP, hereby submits its Supplemental Response to the Division of  
Consumer Advocacy's First Submission of Information Requests (CA-IR-6) consistent with the  
Stipulated Regulatory Schedule (Exhibit "A") contained in the Stipulated Prehearing Order, filed  
on November 6, 2009.

DATED: Honolulu, Hawaii, April 28, 2010.

  
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MICHAEL H. LAU, ESQ.  
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Moriwara Lau & Fong LLP  
Attorneys for MOLOKAI PUBLIC UTILITIES, INC.

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO THE DIVISION OF  
CONSUMER ADVOCACY'S FIRST SUBMISSION OF INFORMATION REQUESTS**

**DOCKET NO. 2009-0048**

**CA-IR-6**

**Ref: Application – Molokai Irrigation System (“MIS”).**

- a. The Consumer Advocate understands that there are issues surrounding the Company's ability to rely upon access to the MIS. Please generally discuss the situation.

**RESPONSE:**

See Attachment CA-IR-6a (Part A) for a discussion of the situation, and Attachment CA-IR-6a (Part B) for a copy of a system map.

- b. If not already included in the response to part a. above, please provide the Company's assessment of the likely schedule for the resolution of the issues surrounding the access to the MIS.

**SUPPLEMENTAL  
RESPONSE:**

Pursuant to communications from the State Department of Agriculture on March 15, 2010, Kaluakoi Water LLC has initiated the environmental assessment (“EA”) process in order to move forward the renewal of the MIS Agreement. Community Planning & Engineering, Inc., which has been retained to prepare the EA, estimates that the EA will cost approximately \$200,000 to prepare. The EA process is anticipated to take nine months to complete.

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**DOCKET NO. 2009-0048**

**CA-IR-6 (cont.)**

- c. Please confirm that any updates on these issues will be provided to the Commission and Consumer Advocate as soon as practical throughout the duration of this proceeding.

**RESPONSE:**

Throughout the duration of this proceeding, the Company will provide the Commission and Consumer Advocate with updates of these issues.

- d. Given the issues surrounding the Company's access to the MIS, please provide a discussion on whether the Company has evaluated its ability to provide water utility service and the outcome of such evaluation. If the Company has not conducted such an evaluation, please explain why not.

**RESPONSE:**

See Attachment CA-IR-6d for a discussion of the current situation and possible alternatives.

- e. Please provide a copy of the agreement relating to the use of the MIS that supports the anticipated "rental" fees.

**RESPONSE:**

See Attachments CA-IR-6e (Parts A through C). The monthly fee of \$12,038, which was included as the base cost in the rate application, was based on MIS billings through 2009 as shown in Attachment CA-IR-6e (Part C). The Company was notified by MIS that the monthly charge of \$12,038 was in error and the correct monthly billing should

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**CA-IR-6 (cont.)**

have been \$11,375. MIS has agreed to change its monthly billing to \$11,375 (i.e., \$136,500 annually) as shown in Attachment CA-IR-6e (Part A). The Company will revise its annual expense in the rate case to \$136,500. See Attachment CA-IR-6e (Part B) for a copy of the original agreement dated August 16, 1999.

- f. Please confirm that even though the issue regarding the Company's use of the MIS is still outstanding, the ability to use the MIS at this time is still allowed, for what determined period of time and that the rental fees are collected for the use of the MIS.

**RESPONSE:**

See Attachment CA-IR-6e (Part A). The Company has been able to use the MIS on a month-to-month ongoing basis as shown in the letter dated April 9, 2008, from the DOA.

**SPONSOR:**

Robert O'Brien/Peter Nicholas

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

MR. DEAN NISHINA Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy 335 Merchant Street, Suite 326 Honolulu, Hawaii 96813	3 copies Hand Deliver
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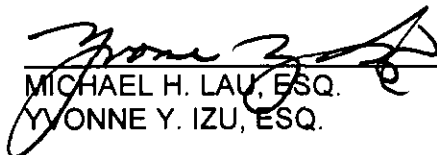
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Attorney for MOLOKAI PROPERTIES LIMITED

DATED: Honolulu, Hawai'i, April 28, 2010.

  
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